

# THE BOTTOM LINE: THE PRINCIPAL MESSAGES FROM *WORLD RESOURCES 2005*

ECOSYSTEMS CAN BE A ROUTE TO WEALTH CREATION WHEN GOOD GOVERNANCE EMPOWERS THE POOR. The livelihoods of the poor can be enhanced by capturing greater value from ecosystems. But this can only happen where good governance practices prevail. That means managing ecosystems sustainably and ensuring the poor access, voice, and participation. In other words, there is power in nature for poverty reduction, but only if we deal effectively with the nature of power—the governance over resources—so that the poor can reap the benefits of ecosystems.

## Environmental Income

**1. Environmental income is crucial to the livelihoods of the rural poor.** Environmental income—cash or equivalent services and materials derived directly from natural ecosystems, including agroecosystems—is a significant factor in the household economies of most rural poor in the developing world. With better governance, environmental income from farms, forests, wildlife, and fish can grow. Better governance is often the difference between simple survival and wealth accumulation.

**2. Natural resource wealth has by-passed the poor.** The environment has already been a source of great wealth for a few. In every country examples can be found of elites gaining great wealth through exploitation of natural resources. But natural

resource exploitation has generally not contributed to poverty reduction. Only a change in governance—a change in how the poor have access to natural resources and the decisions surrounding their use—will change this equation.

**3. An environment-governance emphasis supports poverty measures.** Maximizing sustainable environmental income is not, taken alone, a full solution to poverty. But it is a legitimate and important entry route to more stable incomes and greater participation in the market economy of nations. It can support other job creation strategies and economic expansion programs.

**4. Turning resource access into wealth requires good commercial models.** The poor need assistance in commercializing their ecosystem assets. This means better marketing,



formation of producer cooperatives, partnerships with the private sector, and better transportation infrastructure. The poor must capture a larger part of the value chain of natural resource goods being extracted or harvested.

**5. The Millennium Development Goals—reducing poverty and hunger, improving water and sanitation, reducing diseases—will not be achieved without greater attention paid to the environment.** Because of the dependence of the poor on environmental income, the MDGs can never be fully met without utilizing the power of ecosystems to support wealth creation.

**6. In fact, poverty may well increase without greater attention paid to the environment.** Failure to deal with the declining state of ecosystems will increase poverty. Should the ecosystems that the poor rely most heavily upon for subsistence and income continue to decline at their present rate (or should the poor fail to capture the income derived from these ecosystems), more people will fall into poverty, and the prospect of meeting the MDGs will recede.

### Pro-Poor Governance

**7. Tenure, access, representation, decentralization—these are the changes required to bring power to the poor.** Pro-poor governance must involve progress in the critical areas of natural resource tenure, access to decision-making and information, participation and representation, and decentralization of authority.

**8. The poor need rights to resources.** Property and use rights to resources—what we call resource tenure—are fundamental to accessing the wealth of ecosystems. Tenure reform is thus the first priority in making governance pro-poor.

**9. Community-based natural resource management can be pro-poor.** CBNRM has tremendous potential to increase environmental income of poor households. But to serve the poor, special attention must be given to including the poor in community decisions, and to equitably distributing benefits.

**10. Common property resources are a key asset.** The poor need the ability and authority to determine the management of their resources and to profit from them. For common property resources, this means the state must craft power-sharing agreements that confer to poor communities legal rights to this effect.

**11. More democracy through a focus on environment and poverty alleviation.** Nature is an entry point to good governance. Since the poor value the importance of environmental income, they care about environmental decisions. Making progress in the environmental area greatly strengthens the case for democratic governance in its widest sense.



**12. Pro-poor policy requires political reform.** Tackling poverty means political change that enables land reform, finance reform, tax reform, and policy reform in a number of resource sectors. Natural resources are political commodities that cannot be looked at too narrowly. The poverty-governance-environment approach (from the bottom up) must be moved higher on the global political agenda.

*Empowering the poor with resource rights  
can enable them to manage ecosystems better  
and significantly increase their environmental income.*

